

2018 POLICIES

Transportation

The Minnesota Chamber of Commerce supports investment in the state's transportation infrastructure for the efficient movement of people and goods. To be effective, it must include a modern, multimodal system of roads and bridges, transit, air, rail and waterways. Minnesota businesses are willing to direct current resources and make additional investments to ensure the state's transportation system is well maintained and strategically enhanced, but they also expect to receive the greatest value for every dollar invested in this critical infrastructure.

OUR GOALS

Ensure Minnesota maintains a safe, reliable, multimodal transportation system that provides for the needs of employers and employees by delivering projects as efficiently, cost-effectively, and transparently as possible. This includes an efficient freight system that enhances Minnesota's economic competitiveness in national and international markets. It also includes an aviation system - comprised of both commercial and business aviation - that provides Minnesota's businesses and business travelers reliable, affordable

OUR KEY PRIORITIES FOR THE 2018 SESSION INCLUDE:

- Fully dedicate transportation-related general fund revenues to transportation.
- Enact legislative and policy changes necessary to accommodate advancements in transportation technology.
- Establish a permanent, long term efficiency expectations at MnDOT.
- Resolve the long-term funding challenges facing the bus transit system in the metro area.

and efficient access to markets across the country and around the globe.

FULLY DEDICATE TRANSPORTATION— RELATED REVENUES

The 2017 Legislature passed the largest transportation funding bill in nearly a decade. Nearly \$2 billion of transportation related sales taxes will be captured and directed to the state's transportation system over the next 10 years. This includes 100% of the revenues generated from the sales tax on rental cars and approximately 60% of revenues generated from the sales tax on auto parts. The Minnesota Chamber has been a strong advocate for the investment of these transportation related General Fund resources in transportation infrastructure and services. We support full dedication of the auto parts sales tax to transportation.

This dedication can be achieved statutorily through the biennial budget process. Every person, every business, every government body, and every nonprofit organization in Minnesota benefits directly from Minnesota's transportation infrastructure. As such, the business community believes transportation is a high economic and public safety infrastructure priority that should be included in General Fund appropriations.

If necessary to address concerns about predictability of General Fund investments in transportation, the state could consider asking Minnesota voters to constitutionally dedicate these revenues to transportation purposes. The Minnesota Chamber generally opposes dedicating funds because the process lacks scrutiny. However, in the case of dedication of transportation related revenues, funds will be used for long-term infrastructure projects. Also, the expenditure of the funds requires biennial approval as part of the budget process, and the revenues have a clear relationship to the

proposed uses (see the Chamber's Effective and Efficient State Spending Policy).

ENACT LEGISLATIVE AND POLICY CHANGES NECESSARY TO ACCOMMODATE ADVANCEMENTS IN TRANSPORTATION TECHNOLOGY

As autonomous vehicle technology matures and becomes more widely adopted, it will have a profound impact on how we live our lives and conduct commerce. Minnesota must be proactive and forward thinking in preparing for the changes that will come. The National Highway Traffic Safety Administration (NHTSA) recently released guidance to help states craft legislation to establish the framework necessary to support and prepare for to the introduction of autonomous vehicles. The Legislature should carefully review NHTSA's recommendations and implement the changes necessary to ensure our licensing, registration, traffic, and insurance and liability laws and regulations position us to reap the benefits of this technology.

ESTABLISH A PERMANENT, LONG-TERM EFFICIENCY EXPECTATIONS AT MNDOT

The 2017 legislation requires MnDOT to meet a 15% efficiency target in its annual State Road Construction budget as part of the new resources it will be receiving. In short, the agency is required to complete \$1.15 worth of maintenance upgrades or enhancements to the system for every \$1 in new investment. This requirement is only in place for the FY18-19 budget. To ensure the agency is making the most of the new resources it will be given as part of last year's long term, historic investment, this 15% efficiency requirement should be made permanent.

COST-SHARING

We support prioritizing transportation and transit projects that leverage private capital and match a portion of a project's costs with dollars from those who most directly benefit from it.

RESOLUTION OF THE LONG TERM FUNDING CHALLENGES FACING THE METRO AREA BUS TRANSIT SYSTEM

As part of the transportation funding bill in 2017, the legislature provided \$70 million in FY 18-19 to the Metropolitan Council (Met Council) in one time funding

to address the current budget deficit in operations for the metro area's bus system. Without additional action, the Met Council projects it will again face funding shortfalls in its bus operations starting in FY 2020 - with a significant portion of that deficit coming from escalating costs within the Metro Mobility program for those with disabilities or serious health conditions. To address the projected long term funding shortfall for metro bus transit, the legislature should consider:

- Reforms to the Metro Mobility program that could leverage private sector transportation options like taxis and ridesharing services. Several cities across the country have begun to do this to ensure public money is being used wisely and individuals have timely access to appropriate transportation.
- Additional general fund resources for metro bus operations.
- A broadening of the Met Council's levy authority to include bus operations.
- Potential changes to transit's allocation of Motor Vehicle Sales Tax receipts (a move that could be considered in partnership with the full dedication of the revenues from the sales tax on auto parts for roads and bridges).

At the same time, reform in the governance and planning processes at the Met Council is warranted and will be helpful in bringing about a constructive resolution of the Met Council's long term funding needs. In its 2011 report, Governance of Transit in the Twin Cities Region, the Office of the Legislative Auditor recommends a number of reforms that should be considered and implemented. ■